

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

TARIFF FILING OF NOLIN RURAL)	
ELECTRIC COOPERATIVE CORPORATION)	CASE NO. 8301
REVISING BUDGET BILLING PLAN)	

O R D E R

On July 15, 1981, Nolin Rural Electric Cooperative Corporation ("Nolin") made a tariff filing with the Commission. In the tariff filing, Nolin proposed to change its budget billing plan from a fixed payment to a variable payment format. A public hearing was held November 19, 1981, with no intervening parties. The matter is now submitted for final determination.

Nolin has had a fixed budget payment plan in effect since 1968. Under this plan a customer's budget payment is a fixed amount, calculated on the absolute average of a past 12-month period. Nolin proposed to discontinue this plan in favor of a variable budget payment plan. Under the variable plan a customer's budget payment would change from month to month, based on a moving average of the past 12-month period.

The Commission is of the opinion and finds that:

(1) The proposed variable budget payment plan offers no persuasive advantage over the fixed budget payment plan, either in elimination of customer debit-credit balances or in ease of

administration. Furthermore, administrative innovations proposed under the variable payment option are equally applicable to the fixed payment option.

(2) Insofar as budget payments under the variable payment option change from month to month, the benefit of budget billing to Nolin's customers is lessened.

(3) The proposed variable budget payment plan is not in the public interest and should not be approved.

IT IS THEREFORE ORDERED that Nolin's proposal to implement a variable budget payment plan be and hereby is denied.

Done at Frankfort, Kentucky, this 30th day of December, 1981.

PUBLIC SERVICE COMMISSION

Marlin M. Votz
Chairman

Katharine Bondall
Vice Chairman

Jim Carrigan
Commissioner

ATTEST:

Secretary